LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

200 W. Washington, Suite 301 Indianapolis, IN 46204 (317) 233-0696 http://www.in.gov/legislative

FISCAL IMPACT STATEMENT

LS 6038 NOTE PREPARED: Apr 7, 2011 **BILL NUMBER:** SB 255 **BILL AMENDED:** Jan 20, 2011

SUBJECT: Carryout of Alcoholic Beverages.

FIRST AUTHOR: Sen. Schneider BILL STATUS: CR Adopted - 2nd House

FIRST SPONSOR: Rep. Speedy

FUNDS AFFECTED: X GENERAL IMPACT: State

DEDICATED FEDERAL

Summary of Legislation: This bill allows the holder of a three-way permit issued for a premise within a city market to sell beer and wine for carryout. It excludes certain establishments from the application of a provision that: (1) makes it unlawful to sell beer in this state at retail in a bottle, can, or other container, unless the bottle, can, or other container was packaged and sealed by the brewer at the brewer's bottling house contiguous or adjacent to the brewery in which the beer was produced; and (2) makes it unlawful for a person to refill a bottle or container, in whole or in part, with an alcoholic beverage or knowingly possess a bottle or container that has been refilled, in whole or in part, with an alcoholic beverage after the container of liquor has been emptied in whole or in part.

Effective Date: July 1, 2011.

Explanation of State Expenditures: ATC: The bill allows the holder of a three-way permit issued for premises within a city market to sell beer and wine for carryout. It also excludes certain establishments from the restriction that beer must be bottled at the brewer's bottling house and may not be refilled. The ATC would have to amend rules relating to these provisions. However, this can be done with their existing level of resources.

Explanation of State Revenues: *Alcohol Sales:* Although the provisions of the bill apply to a limited number of entities, these provisions could increase sales generating additional Alcoholic Beverage Taxes and Sales Taxes.

The alcoholic beverage excise taxes are distributed in varying amounts to the following funds: state General Fund, the Post War Construction Fund, the Enforcement and Administration Fund (EAF), the Addiction

SB 255+ 1

Services Fund, and the Wine Grape Market Development Fund. The state retains 50% of the General Fund distribution of Beer and Wine Excise Tax revenue. The remainder is distributed to cities and towns based on population.

Sales Tax revenue is deposited in the state General Fund (99.178%), the Public Mass Transportation Fund (0.670%), the Commuter Rail Service Fund (0.123%), and the Industrial Rail Service Fund (0.029%).

Explanation of Local Expenditures:

<u>Explanation of Local Revenues:</u> These provisions could also increase local food and beverage taxes. To the extent that revenue from alcoholic beverage excise taxes increases revenues going into the General Fund, revenues to cities and towns would increase.

State Agencies Affected: ATC

Local Agencies Affected:

Information Sources: ATC.

Fiscal Analyst: Diana Agidi, 317-232-9867.

SB 255+ 2